

Military Retirees

Currently, military retirees over the age of 65 lose guaranteed access to the Department of Defense (DOD) health care system. Of particular concern to many of these military retirees is that they lose guaranteed access to DOD's prescription drug coverage plans. The Chairman of the Joint Chiefs of Staff, Gen. Henry Shelton, has testified that guaranteeing life-time health care is important not only to keep the promises made to those who dedicated their careers to military service, but also to attract and retain quality personnel today.

The Republican Budget Resolutions

The House resolution did not include any funding for improving health care for military retirees. As is described in greater detail below, the House Democratic alternative resolution provided \$16.3 billion over ten years for improving health care for Medicare-eligible military retirees.

The Senate resolution as reported out of committee also included no funding for improving health care for military retirees. On the Senate floor, Sen. Tim Johnson (D-SD) successfully offered an amendment to the Senate resolution providing that any portion of the on-budget surplus could be used to cover the costs of legislation improving health care for military retirees.

The Republican conference agreement ignored both the House Democratic alternative and the Johnson Amendment, making a token gesture towards military retirees. The conference agreement establishes a "reserve fund" of \$400 million over five years to improve military retiree health care. However, the resolution does not direct that such legislation occur, and the "reserve fund" disappears if there is an on-budget deficit.

Comparison to the Democratic Alternative Resolution

In stark contrast, the Democratic alternative provided \$5.0 billion more for military retiree health care than the Republican conference agreement over the 2001-2005 period (a total of \$5.4 billion). Over ten years, 2001-2010, the Democratic alternative provided \$16.3 billion for military retiree health care. In fact, the Democratic alternative spent more for military retirees in 2001 alone (\$437 million) than the Republican conference agreement does over five years. Moreover, the Democratic alternative directed the Armed Services Committee to report legislation, and this reconciliation directive would have protected the legislation from a Senate filibuster or non-germane amendments that could jeopardize the legislation.